



THE LATEST



Thinking About Buying a Home?



You've been hearing for months now that it's a good time to buy a home. Interest rates and prices are low – making it a favorable market for first-time buyers. There's a lot to think about when buying your first home, but it doesn't have to be overwhelming. By going into homeownership prepared, you'll be assured you're making a wise decision. Ready to make the homeownership plunge? Here's how to get started:

- **Think about your budget.** Decide how much home you can comfortably afford. Typically, the monthly payment should be no more than 28% of your gross income. Create a budget with your new house payment included and try it out for a few months. Bank the difference and not only will you see what paying a mortgage will be like, but you'll save some extra cash too!
- **Pay off debt.** The less debt you have before purchasing a home, the better. Lenders won't usually allow your monthly debt service – such as credit cards, student loans – and your house payment to exceed 40% of your income. Plus, your credit score will generally be one factor in determining your mortgage interest rate. If you pay off some debts, your score will in most cases rise.
- **Save for a down payment.** 100% financing is becoming harder and harder to find. Saving for a down payment may allow you to qualify for better interest rates, afford more home and start out with more equity.
- **Get pre-approved at Liberty Bank for Savings.** Once your finances are in order, come and see us to learn about the many mortgage products we have to offer. Call us at **1.888.LIB.BANK** or visit our website at www.libertybank.com to learn more about starting the homebuying process. We can help find the right loan for you.

TIPS to Get the Most from
Your Insurance page 5

Call Liberty Bank at **1.888.LIB.BANK** to learn more about the homebuying process.





Chairman's Message

As news of the financial industry continues to become more tumultuous every day, community banks, and Liberty Bank especially, remain solid. It can be said that one of the many reasons community banks have remained steadfast is that they focus on cultivating relationships, and take a more personal approach to service.

That is certainly true at Liberty Bank for Savings. As we celebrate our 112th anniversary this year we also celebrate the communities we serve and the businesses, organizations and families that live and do business in those communities.

Creating relationships with customers keeps community banks strong in days when the level of unrest throughout the entire financial industry is so high, and when grassroots movements, such as the recent "Move Your Money" campaign, to leave the big banks are popping up in the news.

Liberty Bank customers are loyal, and for good reason. They like that we have a family feel and staff that knows them personally. It creates a tangible and solid reality for customers in a world where financial services can be downright frightening.

On behalf of the Board of Directors, Officers and Employees at Liberty Bank, I would like to say thank you for choosing Liberty Bank for your banking needs. I hope that we will continue to be your banking choice and that you will refer your family and friends to join our family as well.

William J. Smigiel
Chairman & CEO



LIBERTY BANK WELCOMES A NEW CFO

Steven Stock joined the Liberty Bank for Savings family on Jan. 19, as the Chief Financial Officer (CFO). Steve brings to Liberty 30 years of banking experience from financial institutions throughout the Chicagoland area. Steve started his career in the industry as an auditor for Ernst & Young.

He lives in Northbrook with his wife and son. Steve and his family also have two rescued greyhounds. Steve is a welcome addition to the Liberty Bank family.

CONGRATULATIONS TO LIBERTY BANK'S NEW COO

Joseph Moravec is a 35-year employee of Liberty Bank for Savings. Joseph has held several positions with the bank over the years including Accounting Manager, Controller, Treasurer and Chief Financial Officer. Joseph lives with his wife of 18 years, Michelle, in Niles.



112TH ANNIVERSARY IRA SPECIAL



4 YEAR

2.50% APY*

In observation of our 112th year, Liberty is proud to offer a new CD Special to help make your retirement Safe, Solid and Secure.

With this new IRA-CD, our customers 59 1/2 and older will enjoy the annual option to roll to another Liberty Bank for Savings IRA-CD without penalty.


Open your IRA today! Limited time offer.

Liberty Bank
FOR SAVINGS
Trust & Integrity
Since 1898



*Annual Percentage Yield (APY) effective as of February 22, 2010, and subject to change at any time. \$500 minimum deposit. There may be a penalty for early withdrawal.





Reservations are required for all events unless otherwise indicated. Call 773.489.4471 to sign up, or make your reservations online at www.libertybank.com.



LIBERTY IS PLEASED TO OFFER FREE DOCUMENT SHREDDING

Bring your personal documents, up to 25 pounds, to Liberty Bank and we will shred them free of charge. Tell your friends, family and neighbors about this great opportunity to protect themselves against identity theft. Visit us 9 a.m.-12:30 p.m. on any of the dates below:

- April 17** – 6666 N. Lincoln Ave., Lincolnwood
- May 15** – 2392 N. Milwaukee Ave.
- June 12** – 1018 W. Touhy, Park Ridge
- July 17** – 7111 W. Foster Ave.
- Aug. 14** – 6210 N. Milwaukee Ave.
- Sept. 18** – 1018 W. Touhy, Park Ridge
- Oct. 23** – 7111 W. Foster Ave.
No reservations required.

MEET THE EASTER BUNNY

April 3 – Hey kids! Visit Liberty Bank and take a FREE photo with the Easter Bunny! The Easter Bunny will be at the Main Liberty Bank office at 2392 N. Milwaukee Ave. from 9 a.m.-noon. *No reservations required.*

AARP DRIVING SKILLS COURSE

April 6 & 8 – Take advantage of this two-day classroom course to refresh your driving skills. It is designed for those ages 50 or older. Presented by AARP, \$12 per person for AARP members and \$14 for non-members. This class is held at 6210 N. Milwaukee Ave., 9 a.m.-1 p.m. both days. *Reservations required.*

BANK HOLIDAYS

All Liberty Bank offices will be **OPEN** on the following holiday:

April 2 – Good Friday

All Liberty Bank offices will be **CLOSED** on the following holidays:

May 31 – Memorial Day

July 5 – Independence Day

COMPUTER CLASSES AT WRIGHT COLLEGE

Liberty Bank is proud to partner with Wright College to provide computer skills for mature students. The following classes will help seniors with few or no computer skills get started. Seniors with some basic skills can improve their abilities with the more advanced classes. These classes are **FREE**. All classes last two days and are held from 10 a.m.-noon at Wright College, 4300 N. Narragansett. *Seats are limited and reservations are required.*

April 6 & 7 – Advanced Microsoft Word – *Prerequisite* – Basic Microsoft Word

May 4 & 5 – Basic Microsoft Excel – *Prerequisite* – Basic Computer Skills

June 1 & 2 – Advanced Microsoft Excel – *Prerequisite* – Basic Microsoft Excel

13 & 14 – Basic Internet Skills – *Prerequisite* – Basic Computer Skills

THE MERC, MONEY & MANNY'S

April 13 – Explore a fascinating day in Chicago's Financial District. See how Chicago business impacts the world economy up close and personal. We will visit the Chicago Mercantile Exchange Visitors Center and the Federal Reserve Bank in its landmark building at LaSalle and Jackson. At lunch, rub shoulders with Chicago businessmen at Manny's Deli and Coffee Shop, a Chicago institution since 1942. *Cost: \$57. Advance reservations and payment required.*

SUPER SENIOR DAY

April 14 – The Office of the Secretary of State's mobile facility will be at Liberty Bank's 6210 N. Milwaukee Ave. branch. Adults 65 years or older can obtain a FREE State of Illinois photo identification card (10 a.m.-2 p.m.) and take the Rules of the Road class at 10 a.m. Proof of age and address is required. FREE vision screening will also be provided. *No reservations required.*

BINGO

April 16 & 23 – Join your fellow Silver Stars members for a fun, FREE afternoon of bingo. We begin play at 2 p.m. April 16, at 6666 N. Lincoln Ave., and April 23, at 6210 N. Milwaukee Ave. Invite a friend! *Reservations required.*

ELDER LAW

May 6 – This free seminar, presented by Elder Law Attorney, Michael Erde will help seniors and their families learn about trusts, Medicaid laws, gifts, estate planning and more. 10 a.m. at 6210 N. Milwaukee Ave. *Reservations required.*

ANTIQUES & COLLECTIBLES

May 12 – This fun and informative presentation will help you discover the cash in your attic. Guests are invited to bring one item for appraisal. Join us at 10 a.m. at 6210 N. Milwaukee Ave. *Reservations required.*

Introducing our new Saturday Seminar Series starting this summer! Look for dates and topics for this financial seminar series in the next issue of *The LATEST*.





Beware of Census Scams

It's that time again: The 2010 U.S. census is being conducted this spring and summer. Every decade, census workers count every person in the country and collect information about all residents, including name, age, gender and race.

The data collected for the census is used for a variety of purposes, including allocating more than \$400 billion in federal funds and to determine how many seats each state occupies in the House of Representatives.

You're required by law to provide the requested information to the Census Bureau – but it's important to be cautious when providing your personal information to someone you don't know. Unfortunately, scammers are already posing as census workers and asking for private data.

DON'T FALL FOR PHONY REQUESTS

Knowing the details of the official U.S. census can help you avoid being scammed:

- You may be contacted by phone, mail or in person by the Census Bureau.

- You will not be contacted by e-mail. Never open an e-mail or click on a link that claims to be from the Census Bureau.
- Census workers who visit homes will carry a badge, handheld device, canvas tote and confidentiality agreement.
- A census worker will never request your Social Security number, bank account information or credit card numbers.
- Census workers will never ask for donations.

YOUR INFORMATION IS CONFIDENTIAL

The information you provide for the census is protected by federal law, so you can rest assured that your data will remain confidential. The Census Bureau will never publish or share your private information with anyone, including other government agencies or courts.

For more information about the census, or to report a suspicious census request, visit www.census.gov.*

* Website provided for information only. No endorsement is implied.

Source: www.census.gov.

SERVICE FEES

Liberty Bank for Savings strives to keep fees low. We review our service fees each year to determine that we are providing products and services to our customers without charging unnecessary fees. Below are the changes to our service fees this year. You will notice that while we have increased some fees, some have been reduced.

The complete Schedule of Service Charges is available at any Liberty Bank office.

Service	New Fee	Old Fee
Cut-off statement if less than a full statement period	\$5.00	\$10.00
Dormant Checking Account fee per month	\$10.00	\$5.00
Dormant Savings Account fee per month	\$10.00	\$5.00
Statement reconciliation per hour	\$25.00	\$15.00
Certified check fee	\$15.00	\$10.00
Foreign check collection	\$25.00	\$10.00
Coupon collection	\$10.00	\$5.00
Foreign wire transfer	\$50.00	\$45.00
Balance or clearing inquiry	\$1.00	\$2.00
Escheatment processing	\$30.00	-0-
Stop payment fee	\$25.00	\$20.00
Legal proceeding fee	\$110.00	\$100.00
Temporary counter checks	\$1.00	-0-

The complete Schedule of Service Charges is EFFECTIVE APRIL 15, 2010.

Financial Phrases

WORKOUT AGREEMENT

A mutual agreement between borrower and lender to reschedule loan payments, modify payment terms by extending the original maturity, and so on. This normally is done in lieu of a **foreclosure** action, in which the lender attempts to sell at auction any loan collateral pledged by the borrower.



Liberty Insurance Agency, Inc.

Tips to Get the Most from Your Insurance



Insurance coverage is a powerful tool when consumers face devastating losses. Being smart about how you buy and use insurance can help you get the most for your money. The following tips can help.

- 1 Think twice before filing small claims.** Submitting claims that exceed the deductible by only a few hundred dollars may increase your premiums down the road and ultimately cost more than the repair would have cost out of pocket.
- 2 Buy the right amount of coverage.** Be sure your coverage is adequate, but not excessive. Insurance policy limits should be revisited every year. You may need to update your homeowner's coverage whenever you make major purchases or remodel your home. With auto insurance, consider dropping collision or comprehensive coverage on older cars if their decreased value makes the coverage no longer cost-effective. Let Liberty Insurance Agency help you determine your insurance needs with a FREE Insurance Checkup. (See the schedule at right.)
- 3 Increase the deductible.** Raising the deductible by a few hundred dollars can result in a significant decrease in your premium. Deductibles often start at \$250. By raising the deductible to \$1,000, you may realize a substantial savings on homeowners premiums and also on collision and comprehensive coverage for your car.*
- 4 Buy your home and auto policies from the same insurer.** Some companies offer a discount for multiple policies.
- 5 Turn to a trusted partner.** The experienced insurance agents at Liberty Insurance Agency can help you get the insurance coverage you need without paying more than you have to. Rely on our expert knowledge to help guide you to insurance coverage that fits your family's situation and provides peace of mind when the unexpected occurs.

* Source: Insurance Information Institute, www.iii.org.

MEET THE LIBERTY INSURANCE AGENCY TEAM AND GET A FREE INSURANCE CHECKUP!

Visit one of the Liberty Bank offices below from 9 a.m.-noon.

April 17 – 6666 N. Lincoln Ave.,
Lincolnwood

May 15 – 2392 N. Milwaukee Ave.

June 12 – 1018 W. Touhy Ave.,
Park Ridge

Liberty Insurance Agency, Inc. is a subsidiary of Liberty Bank for Savings. Insurance products are not bank products, nor are they FDIC insured. They are not a deposit or obligation of or guaranteed by Liberty Bank and may involve investment risk, including possible loss of principal.



LIBERTY INSURANCE
A subsidiary of Liberty Bank

Provide. Protect. Promise.

Tax Advantages



Is it time to convert your IRA to a Roth IRA?



Possibly one of the greatest tax breaks in a long time – are you in a position to take advantage of it?

Talk to the Financial Representative.

John Helwig,
Financial Service Representative
Located At
Liberty Bank for Savings
7111 W. Foster
Chicago, IL 60656
(773) 594-6600

INVEST Financial Corporation is not affiliated with Liberty Bank for Savings.

Securities and insurance products offered through **INVEST Financial Corporation** (INVEST), member FINRA/SIPC and affiliated insurance agencies are: • **Not FDIC or NCUA insured** • **Not Bank or Credit Union Guaranteed** • **May lose value including loss of principal.**

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INVEST
FINANCIAL CORPORATION

Tax Credits Provide Outstanding Opportunities for Homebuyers

UPDATE!

Congress has extended and expanded the homebuyer tax credit through June 30, 2010, as long as a binding sales contract is signed no later than April 30, 2010. First-time homebuyers and repeat homebuyers are now eligible for the credit. Highlights of the expanded homebuyer tax credit are:

- ✓ The tax credit applies to homes purchased after Nov. 6, 2009, and before July 1, 2010.
- ✓ First-time homebuyers and repeat homebuyers are eligible.
- ✓ Income limits are increased to \$125,000 for single taxpayers and \$225,000 for married taxpayers for the full credit; and \$145,000 single and \$245,000 married for a partial credit.
- ✓ Military personnel on extended duty outside the U.S. get an extra year to buy a house and claim the credit.

Call a Liberty Bank loan officer today at **1.888.LIB.BANK** or visit www.libertybank.com for current mortgage loan rates.

To find out if you qualify for a tax credit, consult your tax advisor or go to www.irs.gov for more details.

Mortgage Specials

Do You TRUST Your Mortgage Company?



These days, it's important to trust your mortgage company. A commitment to responsible lending has earned Liberty Bank a reputation as a safe, solid and secure financial institution. Not only have we been rated absolutely safe by every reputable independent source, but according to our lending surveys, 99% of our customers would recommend Liberty Bank to a friend or family member.

Consider refinancing your mortgage today to possibly:

- Lower your interest rate.
- Shorten your loan term.
- Convert from an adjustable-rate to a fixed-rate mortgage.
- Build equity faster.

Ask us about our
10-year and 15-year
Fixed-Rate Mortgages!

Talk to a knowledgeable Liberty Bank loan officer today about your refinancing options and a FREE Mortgage Checkup.

Call **1.888.LIB.BANK** or visit www.libertybank.com now, because these historically low rates won't last forever!

QUESTIONS TO ASK BEFORE CONVERTING TO A ROTH IRA

Beginning Jan. 1, 2010, conversions from a traditional to a Roth IRA are no longer limited to taxpayers with a modified adjusted gross income of \$100,000 or less, as they were prior to that date. In addition, married couples who file separately are no longer prevented from making a conversion. Starting Jan. 1, anyone can convert a traditional IRA to a Roth IRA.

Q: What are some potential advantages of converting to a Roth IRA?

A: Distributions from a Roth IRA are tax-free if you're age 59½ or older and have held the account at least five years.* You are not required to begin taking minimum distributions at age 70½, as you are with a traditional IRA. Distributions are not required during the original account holder's lifetime (but they are required for beneficiaries). If you leave the account to heirs, beneficiaries can receive assets tax-free.

Q: What are some reasons I might not want to make the conversion?

A: Converting may not make sense if you:

- Don't think you'll be in the same or higher tax bracket in retirement. The taxes you pay on the conversion could end up being higher than the taxes you'd pay when making withdrawals from your traditional IRA.
- Can't pay the taxes on the conversion from sources other than your IRA. If you're younger than 59½, you'll probably owe a 10% penalty on IRA funds withdrawn to pay taxes.
- Don't have enough time for a Roth's tax-free earnings to compensate for the taxes you pay on the conversion.

We can help you weigh the pros and cons. Call us today.

* Premature withdrawals – generally those made before age 59½ or within five years of opening the account – may be subject to ordinary income taxes and a 10% tax penalty.

LIBERTY BANK FOR SAVINGS 5 CHICAGO AREA LOCATIONS

Chicago

2392 N. Milwaukee Ave.
773.384.4000

7111 W. Foster Ave.
773.792.2211

6210 N. Milwaukee Ave.
773.763.4360

Lincolnwood

6666 N. Lincoln Ave.
847.674.1300

Park Ridge

1018 W. Touhy Ave.
847.825.0693

Customer Service
1.877.305.7070

Online Banking
1.877.305.8080



Liberty Bank

FOR SAVINGS

2392 N. Milwaukee Ave.
Chicago, IL 60647



Market Watch



Short-Term Rates Likely to Remain Low

The Federal Reserve, the country's central bank, announced at the end of January that it was keeping its target for the federal funds rate at 0% to 0.25%, where it has been since December 2008.

The Federal Open Market Committee (FOMC) said that it intends to keep the rate low for some time, saying that it "continues to anticipate that economic conditions ... are likely to warrant exceptionally low levels of the federal funds rate for an extended period."

The Fed uses the federal funds rate to influence the availability and cost of money and credit. It walks a fine line in trying to promote national economic goals: If the Fed keeps rates too low for too long, it risks creating another asset bubble. If it raises rates too soon or too high, it risks sinking the entire economy back into recession.

The federal funds rate is the rate that banks charge each other for overnight loans. It affects rates offered on bank deposit products such as certificates of deposit, savings accounts and money market accounts. The federal funds rate also influences the prime rate, which is a widely used benchmark for rates on variable-rate consumer loans, such as home equity lines of credit and credit cards. Many small business loans are also indexed to the prime rate.

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Your Community



THE LATEST IS ONLINE

Do you have a computer with Internet access? You can get this publication online at www.libertybank.com any day, any time from the comfort of your home. No more waiting for the mail carrier to deliver a copy to your mailbox. No more looking for your copy of *The LATEST* in the clutter of mail. Sign up today; it's FREE.

STAY UP-TO-DATE WITH E-MAIL UPDATES

Get fraud alerts, product specials, financial news and much more via e-mail updates from Liberty Bank. Share your e-mail address with us and you can get valuable information as soon as it is available. It's easy to sign up! The next time you visit your Liberty Bank office, simply share your e-mail address with a bank representative so we can "keep you in the know."

Your e-mail address is secure at Liberty Bank. We will not sell or give your e-mail address to anyone outside of Liberty Bank.

VOICE OF THE CUSTOMER

Many customers tell us through surveys, our website and customer care calls that they continue to bank at Liberty because Liberty is safe, solid, and secure with friendly and knowledgeable staff. In the last issue of *The LATEST*, we mentioned several enhancements made as a result of customer suggestions.

Occasionally we call our customers to clarify or obtain additional details regarding their recommendations. Other times, letters are sent to inform our customers of a specific action taken as a result of their recommendations. Customers are often surprised to hear from us!

Our goal is to determine what areas we are excelling and where further enhancements are needed from our customers' point of view. Liberty considers all requests. We appreciate hearing from you.